

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON CORRECTIONS AND PUBLIC SAFETY**

**Call to Order:** By **CHAIRMAN STANLEY FISHER**, on January 5, 2001 at 8:00 A.M., in Room 317-A Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Stanley Fisher, Chairman (R)  
Sen. Arnie Mohl, Vice Chairman (R)  
Rep. Tim Callahan (D)  
Rep. Jeff Pattison (R)  
Sen. Debbie Shea (D)  
Sen. Tom Zook (R)

**Members Excused:** Sen. Chris Christiaens (D)

**Members Absent:** None.

**Staff Present:** Mary LaFond, OBPP  
Lorene Thorson, Legislative Branch  
Sandra Whitaker, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Hearing: Public Service  
Commission and Testimony,  
1/2/2001  
Executive Action: None

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**CHAIRMAN FISHER** took care of a few housekeeping items before beginning the meeting and reminded anyone who wanted to testify today to sign in with their name and title on the sign-in sheet at the back of the room.

**CHAIRMAN FISHER** briefly covered the procedure used in these meetings. He emphasized the committee is there to listen to the

people with executive action meetings following all hearings.  
People are welcome to attend the executive action meetings also.

**PUBLIC SERVICE COMMISSION TESTIMONY**

**EXHIBIT**(jch03a01)

**EXHIBIT**(jch03a02)

**Gary Feland, Chairman, Public Service Commission** introduced the other commissioners present and turned the presentation over to **Wayne Budt, Administrator of Transportation and Centralized Services for the Public Service Commission**. He is responsible for submitting the budget for the PSC. Newly revised copies of the budget incorporating any changes from Governor Martz were distributed.

**Two new budget issues**

**Mr. Budt** stated the requests to the budget office were approved and they have no new proposals. There were two outstanding issues. The first one is regarding consultant fees. The PSC in the past has requested \$100,000 for consultant fees and while it is true the PSC has not always spent that money they continue to request that amount and ask the legislature not to earmark it so the PSC will have some budget flexibility going into the next two years.

**SEN. ZOOK** asked if the PSC had ever returned any of the money to the budget. **Mr. Budt** stated they had. **SEN. ZOOK** asked the approximate amount used in the past. **Mr. Budt** stated about \$20,000 had been used. **CHAIRMAN FISHER** stated his understanding was that it became a rollover account if not used in full. **Mr. Budt** stated that is correct. Reverted funds are used to reduce the tax on regulated companies in the upcoming biennium.

**Mr. Budt** continued that the second outstanding issue concerns computer replacement. The PSC has requested to replace desktop computers over the next two fiscal years. These are being replaced on a four-year cycle as recommended by the Department of Administration. The PSC prefers to replace a majority of their computers at one time in order to standardize the use of hardware and make it easier to maintain. Since they have a smaller number of computers than most agencies, it is feasible to do it this way. A larger number of computers would create a large spike in the budget requests but the PSC does not have the large amount of money involved. They ask the committee to concur with Governor Martz and allow them to buy computers as requested.

**Lorene Thorson, LFD Staff**, stated the LFD recommends the request for consultant fees be restricted for only the use of consultants. **Ms. Thorson** agreed with **Mr. Budt** that replacing a majority of the computers in one year is not a huge issue.

**CHAIRMAN FISHER** asked how much of the last consultant fee allocation was being carried over for this year. **Mr. Budt** stated it was about \$70,000 or \$80,000.

**REP. PATTISON** asked when outside consultants are used. **Mr. Budt** gave an example such as a few years ago there was trouble with the Butte water. It is basically used if there is not staff time or knowledge to handle an issue. It is used very sparingly.

**REP. PATTISON** asked what was foreseen this money might be used for in this budget. **Mr. Budt** stated the increase cost in electrical energy and the entire electrical energy issue would probably be a major concern in the near future.

#### Energy Issue

**CHAIRMAN FISHER** asked **Mr. Bob Anderson, Commissioner**, to briefly address the energy issue. **Mr. Anderson** stated we all know bad things have happened in electricity costs in the last year. The legislature has established a committee to deal with the subject of electricity deregulation and there are some sixty bill requests already before the committee. The PSC will be helping the committee decide what, if anything, can be done.

**CHAIRMAN FISHER** stated the PSC has been very active in working with the TAC (Electricity Utility Restructuring Transition Advisory) Committee on the electrical transmission which is where some of the consulting money may be put.

#### Universal Access Code

**Mr. Budt** had one other LFD comment regarding the Montana universal access program. The LFD recommends that because money in the program is not being spent as rapidly as the legislature anticipated due to federal discounts, the legislature may want to consider legislation to expand the use of the funds. In 1997 the legislature directed the commission to establish a Universal Access Oversight group to advise the commission on the implementation of the universal access system. A diverse group of twelve reviewed the PSC's administration of this program the first two years. The commission would suggest that the group be called back together to give recommendations if statute is going to be changed on how these are funds distributed. The telephone

companies collected this money for two fiscal years and it is sitting in an account waiting to be used for universal access.

**Mr. Budt** stated although this concludes what is presented in the governor's budget book, he has a handout requesting additional funds.

#### **Two Additional Funding Requests**

#### **EXHIBIT (jch03a03)**

The PSC is requesting an additional amount for travel funds for FY 2002 and 2003. In explanation, **Mr. Budt** offered in the past year the travel was paid by other companies. Now they have a need for two new commissioners to travel and need the funds again.

The second issue is to request an additional salary amount for the next biennium for two upgraded attorney positions and a pay exception for the current computer position.

**Mr. Anderson** offered additional explanation for the travel expenditures. Commissioners will be traveling for education, training and electricity regulation issues.

**Commissioner Matt Brainard** spoke to vacancy savings. The PSC has a critical need for some flexibility in the next two years in order to do their job and feels in such a small agency, the turnover is insignificant. He would hope the legislature would fund the PSC in a manner that would let them take on the issues particularly in regards to electricity issues.

**SEN. ZOOK** stated there should still be some vacancy savings as people leave a job, the job is posted, and finally filled. As the Budget Director has stated, the vacancy savings vary from 18% all the way down to 3%.

**SEN. SHEA** asked why the computer position was not in the budget snapshot. **Mr. Budt** stated the person holding the position was considering leaving but decided to stay when the PSC offered an increase.

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**SEN. SHEA** asked how many people were employed by the PSC. **Mr. Budt** stated they have 39.5 FTE's with 2.5 vacancies at this time. In regards to vacancy savings, sick leave, vacation and payroll

taxes all contribute to reduce vacancy savings especially when a long-time person is retiring.

**CHAIRMAN FISHER** asked for clarification on the sick leave and vacation pay payouts on resignations. **Mr. Budt** stated it is state law to pay all accumulated vacation and one-quarter of the accumulated sick leave. He also stated there will be an increase of this instance with an aging workforce. In the next few years there are many people getting ready to retire.

**SEN. MOHL** stated he is not a fan of vacancy savings. He feels the budget does not reflect the difference in reduced pay on replacing new people with lower rates of pay than the retirees.

**Mary LaFond, OBPP**, stated that the Information Technology positions are very hard to retain. The State seems to be training them for the private sector to hire away. The Governor's Office position was that if the position was not in the snapshot it would not be allowed later. However, The Martz budget has added \$500,000 to an already existing Racicot figure of \$1,000,000 for a contingency fund.

**Mr. Budt** stated even though the PSC can request the authority from the OBPP for contingency funds, they may not have the state special funds available to spend on personal services.

**CHAIRMAN FISHER** asked for an example of when the PSC would ask for contingency funds. **Mr. Budt** replied if all positions were filled and no vacancy savings actually occurred, they would request money from the contingency fund.

**SEN. ZOOK** stated he understood the contingency money was for agencies with 20 or less FTE's.

**Ms. LaFond** replied that was correct.

**CHAIRMAN FISHER** asked how much of the contingency funds had been used in the past. **Ms. LaFond** answered she could get that figure if necessary but did not know at this time.

**SEN. ZOOK** asked what was in the travel budget now for the PSC. **Mr. Budt** and **Ms. Thorson** provided the figures of \$48,900 for FY 2002, and \$49,394 for FY 2003.

**CHAIRMAN FISHER** asked if there were any further questions or comments. Hearing none, he closed the hearing with the Executive Action being scheduled for Monday, January 8, 2001.

As one last order of business, **CHAIRMAN FISHER** discussed the field trips in the future. The committee decided to spend an entire day at the State Prison, January 31. He commented the trips were quite valuable and recommended committee members make all those they could.

**CHAIRMAN FISHER** asked committee members to let Lorene Thorson know as soon as possible which tours each member will be taking in order to make transportation arrangements.

One last announcement from **Brig. General Randy Mosley** regarding the tour on January 11 of the Military Post. Military Affairs will provide transportation if the committee lets them know the number who will be attending. Military Affairs would like to show the committee the facility and an overview of the programs before the hearing on their budget. However, budget items would not be discussed until the actual hearing.

**Brig. General Mosley** also invited committee members to tour the CHALLENGE Program for high school drop-outs at Fort Harrison.

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**ADJOURNMENT**

Adjournment: 9:30 A.M.

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REP. STANLEY FISHER, Chairman

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SANDRA WHITAKER, Secretary

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